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June 26, 2003

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APPLICATION

Honorable James H. Welsh Commissioner of Conservation P.O., Box 94275 Baton Rouge, LA 70804-9275

RE:

Celotex Sand, Reservoir B

Bayou Segnette Field

Jefferson Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DOMINION EXPLORATION & PRODUCTION, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the Celotex Sand, Reservoir B, Bayou Segnette Field, Jefferson Parish, Louisiana, towit:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated CELOTEX RB SUA;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To designate a unit well for the proposed unit;

- 4. To designate Dominion Exploration & Production, Inc. as the unit operator for the proposed unit;
- 5. To provide that any future wells drilled to the Celotex Sand, Reservoir B, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the Celotex Sand, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Celotex Sand in the Bayou Segnette Field was previously defined in Office of Conservation Order No. 534, effective February 1, 1961.

A conference to discuss the proposed application and any opposition thereto was held at 5:15 p.m. on the 25th day of June, 2003, at the Alario Center, 2000 Segnette Boulevard, Westwego, Louisiana, (504) 349-5525. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. David Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. There were no counter plans presented, though one of the parties specifically reserved his rights to oppose the proposal. Mr. Songy advised all of the parties that their rights were reserved under the Rules of Procedure even without a specific reservation. After answering additional questions, the conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting **David Comeaux**, at Leon E. Comeaux & Associated, 305 La Rue France, Lafayette, LA., (337) 233-9839..

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization

proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RCS/elg/bad

Enclosures

CC: Mr. Richard Hudson, District Manager

Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

